

HOUSE BILL No. 1371

DIGEST OF INTRODUCED BILL

Citations Affected: None (noncode).

Synopsis: Borrowing for annexation expenses. Authorizes Fort Wayne to make loans each year through 2006 to provide services to annexed areas.

Effective: July 1, 2003.

GiaQuinta

January 14, 2003, read first time and referred to Committee on Local Government.

C
o
p
y



First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1371

A BILL FOR AN ACT concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. [EFFECTIVE JULY 1, 2003] (a) **This SECTION**
2 **applies only to a city having a population of more than one**
3 **hundred fifty thousand (150,000) but less than five hundred**
4 **thousand (500,000).**

5 (b) **The legislative body may, by ordinance, make loans of**
6 **money for not more than five (5) years and issue notes to refund**
7 **those loans. The legislative body may make a separate loan under**
8 **this subsection in each calendar year. The loans may be made only**
9 **to procure money to be used in the exercise of the powers of the**
10 **city in providing services to areas annexed or to be annexed to the**
11 **city, and the total amount of loans made in each calendar year**
12 **under this subsection may not exceed five percent (5%) of the city's**
13 **total tax levy in the current calendar year (excluding amounts**
14 **levied to pay debt service and lease rentals). Loans under this**
15 **subsection shall be made in the same manner as loans made under**
16 **IC 36-4-6-19, except that:**

17 **(1) the ordinance authorizing the loans must pledge to their**
18 **payment a sufficient amount of tax revenues over the ensuing**



C
o
p
y

1 five (5) years to provide for refunding the loans; and
 2 (2) the loans must be evidenced by notes of the city in terms
 3 designating the nature of the consideration, the time and place
 4 payable, and the revenues out of which they will be payable.

5 Notes issued under this subsection are not bonded indebtedness for
 6 purposes of IC 6-1.1-18.5.

7 (c) The legislative body may, by ordinance, make loans and issue
 8 notes for the purpose of refunding those loans in anticipation of
 9 revenues of the city that are anticipated to be levied and collected
 10 during the term of the loans. The term of a loan made under this
 11 subsection may not be more than five (5) years. A loan may be
 12 structured so that no principal payments are made in one (1) or
 13 more years of the term of the loan. Loans under this subsection
 14 shall be made in the same manner as loans made under
 15 IC 36-4-6-19, except that:

16 (1) the ordinance authorizing the loans must appropriate and
 17 pledge to their payment a sufficient amount of the revenues in
 18 anticipation of which they are issued and out of which they
 19 are payable; and

20 (2) the loans must be evidenced by time warrants of the city
 21 in terms designating the nature of the consideration, the time
 22 and place payable, and the revenues in anticipation of which
 23 they are issued and out of which they are payable.

24 (d) An action to contest the validity of a loan made under this
 25 SECTION must be brought within fifteen (15) days from the day
 26 on which the ordinance is adopted.

27 (e) For purposes of IC 6-1.1-18-3, a note issued under this
 28 SECTION is treated in the same manner as a note issued under
 29 IC 36-4-6-20.

30 (f) Loans under this SECTION are not bonds for purposes of
 31 IC 6-1.1-20-1.

32 (g) This SECTION expires January 1, 2007.

33 (h) Notwithstanding the expiration of this SECTION on January
 34 1, 2007, a loan under this SECTION before January 1, 2007,
 35 remains a valid and binding obligation of the city as if this
 36 SECTION had not expired.

C
O
P
Y

